

# Chapter 5.0

## Economic Development

### 5.1 introduction

***“How can the Central Area create a strategic economic action plan that enhances the area’s quality of life and stimulates economic vitality through the development of local jobs and increased business activity?”***

The preceding question forms the basis for the Plan to **respond** to the following issues:

- . Central Area **Economic** “Niches”. What strategies can be **utilized to** strengthen the existing Central Area economy? What are the current markets **and** the potential markets? What are the area’s economic niches? How can niches be enhanced? How can the existing businesses be enhanced? How **can** more synergistic business relationships be created? ➤
- **Economic Programs**. What organizational resources are in **place** to assist with fostering the growth of existing businesses? How can these resources be leveraged through grants, financial tools, technical assistance programs, bonds, and other strategies? What training programs are needed?
- **Targeting Markets**. What economic development **opportunities should** be pursued? What types of businesses **should** be target and what are their siting requirements? What are the priorities of the community?

These questions are **analyzed** in greater **detail** in supporting appendices related to Economic Development. Appendix 3A shows complete results of the Central Area Business Survey. Appendix 3B is a thorough analysis of the Central Area Market **Analysis**. Appendix **3C** is a more complete version of a Business Action **Plan**.

### 5.2 Context and Findings

The Central Area, due to its location, growing household wealth and unique community resources (i.e. community development corporations) offers remarkable economic **possibilities**. There are exciting opportunities to capture additional local sales, as **currently** retail businesses capture only 12 percent of total trade sales. However, these market forces **will** significantly change the economic future of the neighborhood and will continue to **gentrify** the neighborhood’s housing and businesses.

In addition, the community appears faced with a number **significant** questions (and a corresponding **lack** of consensus) about the future shape of the neighborhood’s economy (and residential neighborhood). How **will** the community balance the need to retain and nurture

minority-owned businesses **with** tremendous market forces (i.e. rising rents and property values) and outside investment? How **will** the community balance the need to increase the neighborhood's household wealth (thereby stimulating retail business) **with** issues revolving around **gentrification**? How will the community balance an interest with creating primary, **well-paying** jobs with limited land supply and commercial space, rising property values, and market demand? **Finally**, some individuals question whether a neighborhood can do anything to influence the market or "stop a rising tide", as one community leader said.

The current neighborhood planning process has provided a tremendous opportunity to create a coordinated effort and shared commitment to an economic vision. The process offers the chance to create a common road map, a commitment to trust, openness, and communication, as well as a welcoming of new ideas and leadership. When the community reaches substantial agreement on ideas and the City of Seattle adopts the plan there then must be a commitment - by **all** public and private **stakeholders** - to follow and implement the **recommendations** of the plan and not a commitment to lip service, more studies, and business as usual.

The findings indicate that the Central Area and its community business organizations have never had the kind of financial and **in-kind** resources which allow them (and the community) to **achieve** their **full** potential. Efforts must be made to focus and mobilize area property owners and businesses, welcome new ideas and energy, and maxi-size community volunteer time. Currently, there is limited businesses and property owner participation in community economic organizations and in the overall neighborhood planning process. Part of this is inherent in the **character** of the neighborhoods businesses - small, fragile businesses whose owners have limited volunteer time and **financial** resources to join and actively participate. Part of the reason lies in the tremendous number of community organizations which serve the neighborhood, thereby spreading out volunteers and enhancing a perception that everyone is not on the same page. Part of it is a perception by some that new ideas and participation are not completely welcomed. Part of it lies in **frustration** that promises and **plans** are made, but commitments to implementation or the provision of adequate resources are rarely secured.

There also exists significant frustration by many of those interviewed through the economic development **outreach** component that the neighborhood planning process will simply result in another **plan**, **with** more promises and no commitment to significant resources for actual plan implementation. As a result, the strategies in this plan could have taken a different course - make a **few small** scale recommendation with a modest budget and then hope for success. However, the **Central** Area deserves a bolder course. The community is encouraged to communicate these **sentiments** and seek a commitment to implementation of the priorities recommended by the neighborhood and for the public and private sector to pay their fair shares of the plan.

Finally, "we need a Central Area Commons." This comment, by one **local** community leader, best exemplifies the need for the community to create "the big **idea**," and then mobilize the broad scale private and public sector support. An economic vision can get people excited **about** possibilities. **The** possibilities lay out a road map, with strategic steps that will **eventually** accomplish the goal.

The findings indicate that there is substantial community agreement and a commitment to implement the **recommendations** of the existing Central Area **Action Plan**. This update to the Action Plan comes complete with excellent opportunities and strategies. It is also why this analysis focuses on recommending a series of strategies which will jump start the economy and allow the community to be in a position to be proactive regarding its economic future. As this new **Plan** has been developed, the original Action Plan recommendations have been reviewed. The relevant sections have been brought forward even as other ideas and options have been considered.

### 5.3, Capitalization Strategies / Access to Capital

- ACTION**      Develop new organizational and financial capacity within the community to stimulate economic development.
- ED-5.3.1**      Support the **re-capitalization** of the Central Area Capital Fund Program; support funding for the three major existing activity areas (and for additional activity areas that may develop).
- A. Commercial Facade Improvement Program. This program provides matching funds for **community-based** development organizations in the Central Area to sponsor facade improvements by private businesses **and/or** commercial property owners in the Central Area. The program will fund **materials** only with labor and any required permit costs being paid by the private **party**. Utilize the Central Area Contractor's Plan Resource to link contractors with **façade** improvement projects.
- B. Project **Pre-Development** Financing. This program provides **pre-development financing** to Central Area CDCS to evaluate development feasibility or to conduct due diligence **and/or** acquire site control. Examples of eligible activities for funding include financial feasibility studies, market analyses, appraisals, **preliminary** design and environmental assessments.
- C. Community **Equity** Fund. This program provides **funding** for Central Area community development corporations to invest equity in real estate development projects providing access for small businesses to commercial spaces beyond their means. Funds are structured as short-term **subordinated** loans, which can be converted to a grant depending on the source and level of secured permanent **financing**. Organizations can seek funds for property acquisition, **architectural/engineering** fees or other components of project equity. A \$5 million fund should be **built** and sustained "for **equity** investment by the CDCS in the Central Area. A **semi-annual** report on the fund should be prepared and published for the community.

- ED-5.3.2 Capitalizing the **CDCs**. Provide community development corporations with **sufficient** funds to function as development organizations;. These organizations should be **sufficiently** financed to function quickly and independently to identify important development projects, acquire property, and build projects. Work toward a consolidation of administrative **functions** and a reduction in duplication for Community Development Corporations without losing the special geographic foci the different organizations now provide. Funds would be utilized as equity investments for commercial, residential or mixed-use developments. Depending on the **degree** of consolidation, \$350,000-,\$700,000 in **annual** operating support should also be **provided** to **CDCs**.
- Funds would be raised for operating support and capital **dollars** from the Seattle **Community** Development Partnership, foundation grants, and financial institutions.
- ED-5.3.3 Support the **Community** Capital Development Corporation in targeting funds to assist minority businesses to grow and expand in the Central Area. Funding to be provided from the City of Seattle, **financial** institutions, and foundations.
- ED-5.3.4 Explore investment vehicles (e.g. investment group model or credit union model or others) **.that** allow and encourage residents to invest in Central Area economic development and expansion. The **Community** Stewardship group for the Central Area **Action** Plan will work with financial institutions and existing credit unions to develop the model for these community investment vehicles.
- ED-5.3.5 Provide fursding (including stat-up funds) for the Central Area's African and African American Convention, Trade and Commerce Bureau. Support the Bureau's current efforts to develop the Conference Center at an appropriate Central Area vacant site.
- ED-5.3.6 **Input and Oversight Functions for Community Capital Development (CCD)**. Inform the community about new sources of capital available **from** source such as the Small Business Administration, and inform the community about CCD activities **that** respond to the Central Area's credit needs. All such **communication** should be at least once per year. The City Office of Economic Development **will** provide summary reports which will be published in CDC newsletters and annual reports.
- ED-5.3.7 **Washington Reinvestment Alliance (WRA)**. Work with the Washington Reinvestment Alliance (**WRA**) to increase the flow of **Community Reinvestment Act (CRA)** funds into the **Central** Area. A **Community** Reinvestment Action **Roundtable** should be developed jointly for economic development and housing. (See H - **XX**) Maintain Central Area representation on **WRA**.

## 5.4 Development Of 'Business Nodes

**ACTION** Facilitate and support business associations for primary business districts. Treat the **Central** Area as one business district offering a series of successful economic niche neighborhoods within the overall community. Create a viable business base that will **attract** investment, focusing on neighborhood convenience retail, **professional** and personal services, **restaurants**, and entertainment. **Support** the urban design plan element that strengthens this development and enhances the pedestrian nature of each area

**ED-5.4.1** Develop an areawide Marketing Program for the Business **Districts**. The Central Area economy would be improved by coordinated communication and positive publicity. The area wide **marketing** program, which would operate within an **existing** "organization, would be **responsible** for coordinating communications between businesses, publicizing successes, coordinating the creation of shared marketing activities and other programs. **Link** this marketing and identification program with the residential community

**Recommended Annual Budget:** \$50,000, to be funded by the City of Seattle, private businesses, and foundations, Funds would be utilized for a staff person (with strong communication and marketing skills), printing or production of promotional materials, the mailing of press releases, advertising programs, the creation of a Central Area Business and Properly Owner Newsletter and other marketing activities.

**ED-5.4.2** **Explore** Development of a Central Area Business Improvement Area. Local businesses and property owners must also participate in funding this initiative. Voluntary contributions are preferable. However, a more mandatory system, such as the establishment of a Business Improvement Area (**BIA**), or a Local Improvement District (**LID**) should **be studied**. Explore the phased implementation through a pilot project.

**ED-5.4.3** **Focus** the City's **economic** development **resources** toward primary business districts. Create a proactive program to develop the Central Area by implementing strategies that permit each node to **foster its** unique character by working with the viable Central Area CDCS, private" developers and node **planning** groups. **Strategies** could include increased public transportation connection between and to city/regional transit systems, land use and zoning flexibility (with community review and input), increased residential density, creative parking solutions, etc.

**23rd and JackSan Node-** The Community's Shopping Center. Continue adding convenience retail, restaurants, services, and **office space**. Encourage increased housing density in and around the commercial area. Support CDC efforts in this **area**, including the 23rd **and Main**, 23rd and King, **Yesler** Business

District, Yesler Houses, and Promenade North and South projects

**23rd and Union Node - The Community's Business Center.** Continue adding commercial office space and professional services. Encourage housing density in and around the commercial area. Support CDC development efforts in this area, including the Colman building and Richlen property re-development.

**23rd and Madison Node -The Destination/Entertainment Center.** Seek entertainment facilities (e.g. Arts complex), destination retail (upscale, grocery, restaurant, etc.), convention and conference facilities and other like businesses. Encourage increased housing density in and around the commercial area.

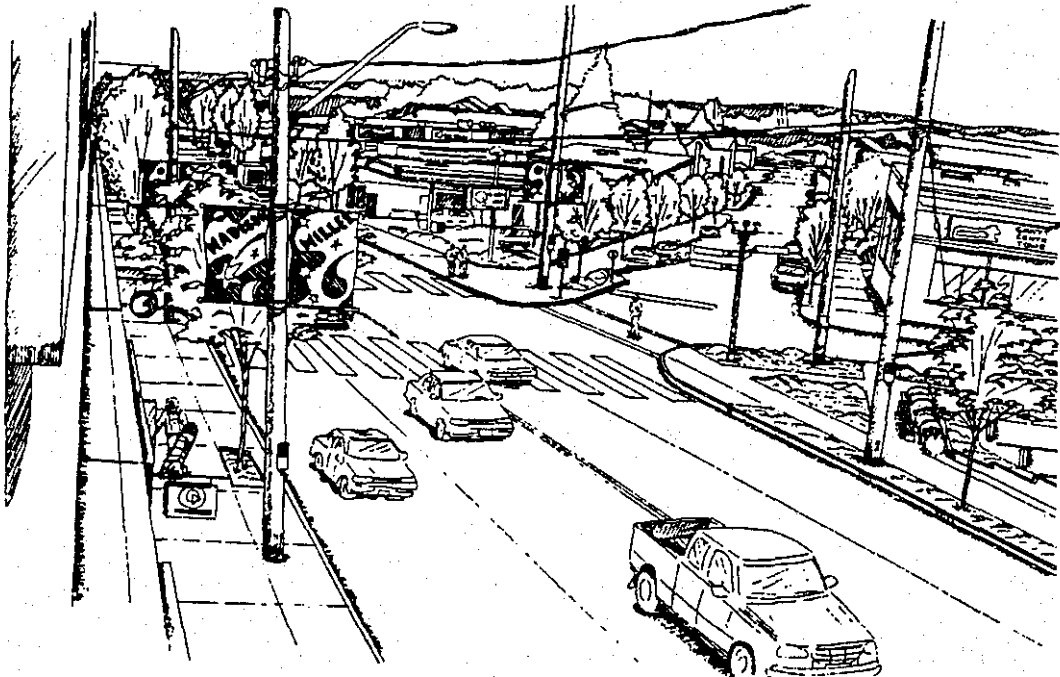


Figure 20,  
Street Improvements to make East Madison more pedestrian-friendly

**12th Avenue Area - The Education Center.** Seek services and convenience retail that builds on the neighborhood's proximity to Seattle University. Encourage increased housing density in and around the commercial area. Support current land development cooperation between the City, Seneca Properties, and Seattle University. Renew efforts to enhance CDC presence in the area in order to help foster the goals of the 12<sup>th</sup> Avenue Plan.

ED-5.4.4 **Strategies** identified in 5.4.3 should also be available to foster the economic development existing in several secondary business areas (34th and Union, 20th & Yesler, Martin Luther King and Cherry, 23rd and Cherry, Madison Valley and Hiawatha Place South).

ED-5.4.5 Encourage local ownership of redevelopment properties in the Central Area.

**Property Owners Forum.** Annually schedule a forum for Central Area **Commercial** Property Owners to discuss trends and opportunities. Forum participants would **include** leading area developers, **potential** investors, financial institutions, and the **City** of Seattle. Recommended budget: None at **this** time.

**Dispositions of City Properties.** Work with the Department of Neighborhoods' efforts to facilitate the disposition of commercial properties. Currently several parcels are being developed by businesses based in the **Central Area**, including Hiawatha Place South. Support for the **Yesler-** Atlantic and **12th** Avenue programs should be continued. The community should work with Department of Neighborhoods to balance the goal of **local** ownership with the goal of speedy disposition of property.

ED-5.4.6 **Opportunities for Local and Minority Contractors, and Central Area Employees.** Ensure that the City's economic development resources are **targeted** to support private sector development efforts to use local **and** minority contractors, employ **local** residents, and attract Central Area business tenants.

Provide financial and **technical** assistance for the creation of a Central Area Contractor's Plan and Resource Center (**CACPRC**) operated by **CAMP**. The **CACPRC** **will** serve as a one-stop shop for African- **American**, minority **and** Central Area contractors to access information about bid opportunities and to access technical assistance for business development. The **CACPRC** contains four specific components: 1) Plan and Resource Center, 2) Technical Assistance Program, 3) Job Linkage and Youth Placement 4) and Business Development and Incubation.

## 5.5 Increase Employment Opportunities For Central Area Youth

**ACTION** The following actions must be taken (1 ) Design a youth employment program for the **Central** Area involving the City, community-based agencies, and the business community. (2) Initiate **a** youth entrepreneurial consortium to teach **skills** and instill attitudes needed to start and sustain small businesses. (3) Develop meaningful vocational opportunities and viable career paths as an alternative to a 4-year college **degree**.

ED-5.5.1 **Youth Employment Program.** Work with the City, with service providers such as Boys and Girls Club, Rites of Passage Experience (ROPE), Central Area Youth Association (CAYA), the Junior Achievement and others to develop youth

employment program. The program should be multi-faceted, should include training to develop good interview and entrepreneurial skills, and should establish an ongoing job bank. Investigate creative funding sources for such a **program**, including private donations, in-kind contributions, and long-term contracts with the City.

- ED-5.5.2      **Employment Consortium.** Develop an employment consortium with major employers in the **Central** Area such as Providence Hospital; **Gai's Bakery**; schools such as Seattle University, Seattle Vocational Institute (**SVI**), Garfield **High** School, and the titan American Academy; and service providers **such** as the Central Area Motivation Program (CAMP), Boys and Girls Club, Black Dollar Days Task Force, **Central** Area Youth Association (CAYA), and others to develop training and to provide jobs and ongoing support services for youth. These programs should reach out to youth who are seeking **employment**. Include in this consortium local (Central Area and North Rainier Valley employers) and citywide small businesses that could employ youth.
- ED-5.5.3      Recruit **local** entrepreneurs, schools and programs such as ROPE to help design and implement this program.
- ED-5.5.4      **Programs for Youth.** Involve Greater Seattle, Chamber of Commerce to provide paid internships to graduates. of these programs to refine their business skills and facilitate mentor relationships.
- ED-5.5.5      Youth EntrepreneurshIp. Work **with community groups**, the **CDCs**, and organizations **like** the Student Conservation Corps to develop a youth nonprofit streetscape and **infrastructure** maintenance business. Investigate **long-term** contracts with the City to make street improvements and maintain vacant lots and parks in the Central Area.
- ED-5.5.6      **Youth Apprenticeship.** Work with the Seattle School District, Seattle Community College, Seattle Vocational Institute, and the health care industry to develop an apprenticeship program for Central Area high school seniors which would combine in-class instruction with training in marketable medicrd skills such as **radiology**, histology, hematology, dental assisting, medical assisting, medical records **management**, and other **auxiliary health** areas. Establish a quarterly meeting of City, school district, and community representatives to evaluate progress in meeting these objectives.
- ED-5.5.7      **Skill Development/Practical** Work Experience. Work with youth agencies, contractors, labor unions, State Apprenticeship Training Coordinators; the Seattle Housing Authority, the Urban League and the U.S. Department of Labor to provide. worthwhile work experiences and develop **skill** in the construction **trades**.



## 5.6 Increase Employment Opportunities For Central Area Residents

**ACTION** Achieve the following actions: **(1)** Establish better linkages between job training and services/jobs available. **(2)** Ensure that Central Area residents receive a fair share of opportunities for employment **as** new jobs are grown in the area and in the City. **(3)** Encourage the **Office** of Economic Development's efforts to seek funds to assist entrepreneurial activities

**ED-5.6.1** **Seattle Outreach Alliance.** Expand the scope of effort and involvement with the Seattle Outreach Alliance (SOA) to improve linkages between **community-**based organizations, City **departments,** and the residents of the Central Area with a goal of improving health education, training, and the provision of programs and services.

**ED-5.6.2** **First-Source Hiring Agreement.** Require businesses that receive significant financial assistance **from** the City to sign a first-source hiring agreement. This **agreement** commits the employer to interview low and moderate-income Central Area residents and establish related hiring targets for **all** levels of the business. Where appropriate, these agreements also need to incorporate a requirement for occupation-specific training and diversity training to improve the business' employee retention rate.

**ED-5.6.3** **"Fair-Share" Job Opportunities.** Advocate for a "fair-share" allocation, based on demographics for the Central Area, of job opportunities generated by the Apprenticeship Opportunities **Program** and the **Office** of Port JOBS.

## 5.7 Increase Business And" Job Support Services

**ACTION** The following actions must be **taken:** **(1)** Study the development of a comprehensive business incubator program in the Central Area. **(2)** Develop innovative partnership programs that increase the community's economic vitality. **(3)** Increase **transportation** and linkage between Central Area and major employment centers. **(4)** Develop programs to facilitate job retention.

**ED-5.7.1** **Feasibility of Business Incubator Program.** Complete an analysis of the feasibility of a business incubator program in the Central Area. Create a task force made up of CDC representatives job development programs, entrepreneurial development programs and the City to do the analysis.

- ED-5.7.2 implement a Clean **and** Safe Program. Ensure the highest standards of public **safety**, maintenance, **and** design within commercial and residential areas. Commit public resources to **fix** and maintain streets, alleys, and sidewalks. Provide adequate street lighting of common areas. Add garbage cans. Earn a reputation as Seattle's safest neighborhood. Take care of the basics. Budget to be determined in cooperation with City of Seattle.
- ED-5.7.3 Create a 23rd Avenue Corridor Project: Create a volunteer-based program to clean and green 23rd Avenue between Jackson and **Madison**. The area now has a number of **vacant**, unattractive properties. Create an aggressive, on-going maintenance and beautification program (like the curb bulb **grant** received by **Central** Neighborhood Association. Add banners, amenities, and flowers. Recommended annual budget: \$25,000; potentially funded through a Local Improvement **District**, city neighborhood **grants**, and foundations.
- ED-5.7.4 **Create** a 12th Avenue **Corridor** Project. Create a volunteer based program to clean and green this major north/south corridor for improvement. Add banners, amenities, and flowers. Recommended annual budget: \$25,000; potentially funded **through** a Local Improvement District, City neighborhood grants, and foundations. Ensure that **funds from** the side of city properties from the 12th Avenue Development Plan and **from** the street vacations in the planning area be dedicated to projects in this corridor.

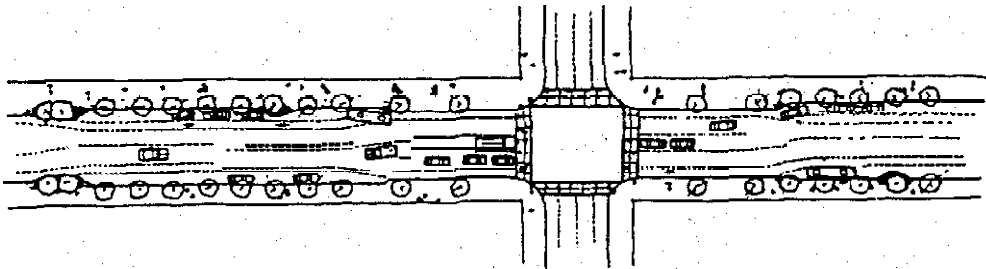


Figure 21  
Proposed street Improvements for **12th** Avenue

- ED-5.7.5 Create a Madison Street **Corridor** Project. Create a volunteer-based program to target this major east/west corridor for improvement. Add banners, amenities, and flowers. Recommended annual budget: \$25,000; potentially funded through a Local Improvement **District**, City neighborhood grants, and foundations.
- ED-5.7.6 Advocate for **local** routes and access to RTA. In particular recommend to RTA that that McClellan and Rainier light rail station be located to provide the most efficient bus access to the Central Area (either 23rd& Rainier or MLK & Rainier). Also, support alternatives to locate a light rail station in the Jackson Place community at Dearborn& Rainier.

- ED-5.7.7      **Monorail Alternatives.** Work with Elevated Transportation Company to study **and refine** monorail routes, particularly as it affects the Central Area.
- ED-5.7.8      Work **with** existing job training organizations to facilitate the relationship between the new employee, the employer, and the existing employee group.

## 5.8 Increase Job Creation

- ACTION**      Develop **public/private** partnerships for job creation. **The** issue of job creation is best addressed through the expansion of existing businesses and the creation of new ones. Employment growth within the Central Area is dependent upon business growth. Emphasis should be placed upon creating efficient transportation linkages to other areas where employment is plentiful.
- ED-5.8.1      **New Financing Tools.** Work with the **City's Office of** Economic Development and the County to develop with the Washington State Legislature new financing tools (such as the Urban Stabilization Act) for use in redevelopment projects. Recommended budget: None at **this** time.
- ED-5.8.2      Maximize the **Regional Transit Area Project** and the monorail construction potential. Work closely with Regional **Transit Area**, the Elevated Transit Corporation and community organizations to **assure** that development of the **regional** system enhances and increases community revitalization efforts in the **Central Area**. Require that existing public transportation systems, including **east-west connections**, are also strengthened **as** the **alignment**, technology, and stations for the RTA are developed to ensure the quick access to mass transportation facilities **on** First **Hill** and on Rainier critical to economic vitality is achieved. The stations in the **Central Area** should be used to stimulate reinvestment in adjacent commercial development. Recommended budget: None at this time.
- ED-5.8.3      Leverage the **EDC**. Work with Economic Development Council of Seattle and King County to relocate displaced businesses, mobilize foreign **investment**, conduct a real estate brokers tour and increase regional **awareness** of investment **opportunities in** the district. Recommended budget None at this time.
- ED-5.8.4      Support the Seattle Jobs Initiative Program. The Seattle Jobs, Initiative Program focus is on low-income adults. It provides employment training designed to link its **participants** with family wage jobs in King **County and** the creation of new **family** wage jobs in the Central Area.
- ED-5.8.5      **New Jobs and Job Retention.** Create new and retain existing family wage jobs in the **Central Area** Encourage continued existence of **Central Area**

**manufacturing** and industrial firms offering family wage jobs. Working with **existing firms** (like Wonder Bread) and attract more to appropriately **zoned areas** of the Central Area.

ED-5.8.6      **Technology Infrastructure.** Advocate for installation in all homes and businesses of all current technology **infrastructure**; essential to support employment in information service jobs. Work with Seattle City Light, King County telephone service providers and cable companies to achieve fiber optic installation.

ED-5.8.7      **Local Arts Entrepreneurship.** Establish **an** organization (e.g. artist cooperative) and location (e.g. marketplace) to sell **handcraft** and art items produced by **local** Central Area artists.

ED-5.8.8      **Local Hiring.** Work with all Central Area employers to **hire** Central Area residents.